



August 16<sup>th</sup>, 2016

Dear Editor,

Common Front NL is in complete agreement with the recent Board of Trade assessment: the primary responsibility of elected MHA's is "to improve the economic and social conditions of the people of the province." Where we differ is in how we should do this.

First, let's take stock of where we are. Preliminary figures for 2014 employment income are now in, and they show that for the first time in our history we earned more from work than the national average. The paycheques of residents of our province averaged a thousand dollars more a year than did those living in the rest of the country. This is a remarkable achievement and it really does mean that Newfoundland and Labrador is finally a "have" province. However, when we look at the distribution of that income, it is equally clear that many are still living "have-not" lives. In only six communities did most people's total income equal the national average for earned income: two in Labrador (Lab City and Churchill Falls) and four on the Avalon (Long Harbour, Logy Bay-Middle Cove-Outer Cove, Paradise and Torbay).

This disparity between the value of an average paycheque and the total income of most people is important to understand. Averages and medians diverge when income is distributed unequally.

The skewed nature of our income distribution is in part geographic: the "have" communities are linked to very specific resources or fast-growing suburbs of St John's. All of rural Newfoundland, including most of the Avalon, as well as coastal Labrador remain firmly in the "have-not" category.

It is also social. In 2013, 2,580 people declared a taxable income in excess of a quarter of a million dollars, a threefold increase from only a decade ago. A total of 32,890 people would have been eligible for inclusion on a "sunshine list", as they earned at least \$100,000 that year. More than four out of five of these highly-paid individuals worked in the private sector. At 10.9% of the active workforce, our province now has a third more people basking in the sunshine than the rest of the country. While our minimum wage is precisely that: the lowest in the country.

In addition to these better known regional and social inequalities, family structure and the economics of gender are key factors. Couples are doing better: between 2010 and 2014, provincially their average income moved from second worst to fourth best.



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This improvement hides a dramatic difference in median wages by gender. Despite significantly higher educational levels all across the board, median income for a woman in 2013 stood at 58¢ for every dollar of a man's income, the highest gender imbalance in the country.

Single-parent families, most of which are headed by females, saw no improvement during these boom years. Their incomes remained the third worst in the country, while caring for the majority of our children living in poverty. Gender also mattered for single adults, whose incomes are the worst in Canada: \$100 a week less than the Canadian average. A quarter of those singles of working age are poor, but half of the elderly, quite disproportionately female, live in poverty.

When we work, we now work longer hours than our fellow Canadians, two hours more a week on average. We also live significantly shorter lives: two full years less than the Canadian average. Our unemployment rate is almost double the Canadian average, despite having the country's lowest labour force participation rate.

We need to ask ourselves, is this the society we want to have?

Common Front NL brings together a variety of community, student and union organizations who think we can, indeed must, do better. In the build-up to the fall budget our group will be offering a variety of alternative policies. We are confident, reducing inequalities will ensure far better opportunities for Newfoundland businesses. Our proposals will build on our greatest resource, the people of the province, and encourage talented and resourceful people to come join us in building a more just society. By engaging in a constructive and creative dialogue, we can improve the economic and social conditions of those who have been left behind. And that would really be a province worth having.

Regards,

Robert Sweeny  
Common Front NL